

Overview

Changes in the organization of the executive branch may be necessary to achieve economic objectives, improve efficiency, and/or increase oversight in certain areas. These changes can include the establishment, alteration, or abolishment of an organizational unit or administrative body and may include the transfer of functions, duties, responsibilities, personnel, funds, equipment, facilities, and records from one organizational unit or administrative body to another. Organizational changes made by Executive Order while the Legislature is not in session will be submitted for ratification at the next session of the General Assembly.

This memorandum sets forth the official process to be followed when reorganizing a governmental structure. The legal framework for reorganizations is found in [KRS 12.027](#) and [KRS 12.028](#).

There are two types of reorganization:

1. **Executive Order:** The first type involves establishing, renaming, and/or abolishing higher level organizational units (cabinets/departments/offices/divisions). All changes must be approved and signed by the Governor or relevant Constitutional Officer. Preliminary proposals must be approved in writing by the Secretary of the Governor's Executive Cabinet or his designee, prior to beginning the process described below. The Secretary of the Governor's Executive Cabinet or designee will email the Secretary of the Personnel Cabinet, copying the agency, and approving the action.
2. **Administrative Order:** The second type involves changes to lower level organizational units (branches/sections/units) which is approved by the Cabinet Secretary or Constitutional Officer.

NOTE: Frequently reorganizations require both an Executive Order and an Administrative Order.

Review and Approval Process

1. The agency should submit a completed Reorganization Planning Worksheet, along with attachments, via email to the Personnel Cabinet ("Personnel") at Pers.Reorgs@ky.gov and copy Nate.Haney@ky.gov. Personnel's reorganization team consists of a representative from the Personnel Cabinet's Organizational Management, Classification and Compensation, and Personnel Administration Branches.
2. Upon review of this information, Personnel will schedule a meeting between the agency, the Personnel Cabinet reorganization team, and the agency's assigned budget analyst within OSBD. Based on the scope and complexity of the reorganization, a conference call may be sufficient.

During the meeting, Personnel will add additional information to the Reorganization Planning Worksheet and review the attachments. Additionally, Personnel will advise the agency on additional tasks that must be completed to effectuate the reorganization. During the implementation of the reorganization, agencies shall freeze all personnel actions for the organizational units affected by the reorganization. Agencies should anticipate a minimum moratorium of two weeks.

After the meeting, Personnel will contact the agency with an anticipated effective date based on information gathered during the meeting. Personnel will also provide the agency with a timeline, task list, a tracking sheet for personnel actions that must be held once the moratorium is in place, and the personnel documents needed to complete the official reorganization packet. The anticipated effective date is contingent upon the accurate and timely completion of these tasks.

3. Once complete, the full reorganization packet, should be compiled, printed, and submitted by the agency to the Personnel Cabinet, Classification & Compensation Branch at 501 High St, 3rd Floor, Attention: Jamie Caldwell. Electronic copies should be emailed to the Personnel Cabinet at Pers.Reorgs@ky.gov. Personnel will provide an electronic copy of the reorganization packet to the agency's budget analyst within OSBD for review.
4. OSBD budget analyst will work with the agency on the budget, fiscal, and eMARS-related issues. Personnel will work with the agency on all personnel and KHRIS-related forms and obtain any clarifications needed to finalize the reorganization packet for final approval and implementation.
5. Once the review process is complete, the OSBD budget analyst notifies Personnel that all budget, fiscal and eMARS-related documents are approved. At that time Personnel electronically provides an approval letter signed by the Secretary to the agency.
6. For reorganizations that require an:
 - a. Administrative Order, the receipt of a letter from Personnel enables the agency to proceed with full implementation of the plan through Personnel, on the approved effective date listed in the order.
 - b. Executive Order, Personnel will forward a copy of the Executive (and) any Administrative Orders and plan to the Secretary of the Governor's Executive Cabinet. The Secretary of the Governor's Executive Cabinet or designee will prepare the Executive Order for signature, assign the order identification number, and file the order with the Secretary of State's office. Personnel will notify the agency and OSBD budget analyst of Governor's approval, provide an electronic copy of the final filed reorganization packet, and proceed with the implementation.

To implement the reorganization, Personnel will:

- a. Establish any necessary organizational units and execute any necessary name changes to existing organizational units;
- b. Upload the position from-to changes in mass;
- c. Correct "chief" and "reports to" relationships for the purpose of identifying the correct supervisory relationships in KHRIS;
- d. Add the agency's full name on IT1002;
- e. Check for errors and complete necessary corrections;
- f. Update security/structural authorizations;

- g. Request that the agency review the changes made by Personnel;
- h. Notify agency of completion and lift moratorium on personnel actions;
- i. Print and send Personnel Action Notifications (PANs); and
- j. Hold Abolishments in abeyance for any corrections to be completed.

The Reorganization Packet

The reorganization packet includes:

1. **Cover Letter:** addressed to the Secretary of the Personnel Cabinet from the cabinet secretary, constitutional officer, or independent agency head, requesting approval of the proposed changes.

The letter should include the name of the agency contact person who has detailed knowledge about the request and can make changes throughout the approval process, if necessary.

2. **Checklist of Changes Relating to Reorganization:** provides specific information relating to the reorganization, including the HR agency contact person and contact number.
3. **Draft Order(s):** a reorganization packet may or may not require both an Executive and Administrative Order.
 - a. **Executive Order:** the directive that affects only the top organizational levels of government, which include cabinets, departments or offices, and divisions. An Executive Order is signed by the Governor or constitutional officer and is submitted with the reorganization packet unsigned.

Pursuant to KRS 12.028, an Executive Order signed by the Governor or other constitutional officer becomes statutory law when ratified by the next session of the General Assembly. An Executive Order signed in the interim has only temporary legal effect. For it to remain in effect, the agency must translate the signed Executive Order into a legislative bill for passage at the next regular session of the General Assembly. If the bill is enacted by the General Assembly, the reorganization becomes permanent law on the effective date of the Act. If a reorganization bill is not ratified, the agency is required to revert to the last enacted organizational structure immediately prior to the temporary structure 90 days after adjournment of the General Assembly, unless a revised reorganization packet is submitted and approved. The revised reorganization must have an effective date within 90 days after the adjournment of the regular session of the General Assembly.

- b. **Administrative Order:** the directive that affects only the lower levels of government, which include branches, sections, and units. A final Administrative Order is signed by the cabinet secretary, constitutional officer, or independent agency head. It is initially submitted with the reorganization packet unsigned.

The Administrative Order is numbered by the agency and must carry a numerical designation by calendar year for identification. For example, the first Administrative Order for an agency in calendar year 2016 should be titled “Administrative Order 2016-01.”

4. **Reorganization Plan:** a detailed description of all changes to the organization specific to the reorganization, which must include:
 - a) A clear explanation of each proposed change, including the need for the change. This is the most important part of the Reorganization Plan. It should provide simple, clear reasons for the reorganization. If the reorganization is in part due to a federal program change or a change in law, that legal authority should be referenced and attached.
 - b) Budget and Fiscal Impact of the reorganization for each affected organizational unit or administrative body. It must include an estimate of any expected change in expenditures.
 - c) A statement describing anticipated improvements in the management, delivery of state services, and efficiency of state government operations expected to result from the reorganization.
 - d) Personnel Impact of the reorganization relating to the personnel of each affected organizational unit, including but not limited to the number of employees that will be transferred, subject to placement or layoff, and any new positions or reclassifications.
5. **Current Organizational Chart:** illustrating the organizational structure by name and organizational structure number, as it exists in the Personnel Cabinet system. Employee names and job titles should not be shown on the chart. Cabinet/Department level organization charts are maintained on the Personnel Cabinet website at <https://personnel.ky.gov/Pages/OrgCharts.aspx>.
6. **Proposed Organizational Chart:** illustrating the organizational structure by name, after the reorganization, and the organizational structure number. Employee names and job titles should not be shown on the chart.
7. **Current Operating Organizational Chart:** (for resubmission of non-ratified reorganizations only): illustrating the most recent ratified organizational structure by name as it existed in the Personnel Cabinet system, prior to the non-ratified reorganization(s), and the organizational structure number. Employee names and job titles should not be shown on the chart.
8. **Personnel Cabinet – Personnel Documents:** necessary for making structure changes and/or moving employees. These forms will be provided to the agency by the Personnel Cabinet after the initial meeting.
 - a. **Structural Establishment Worksheet:** lists any proposed organizational structure being established by the reorganization and the new organizational number being assigned.

All new organizational structure numbers are assigned by Personnel and provided to the agency following the preliminary meeting.

If the new structure is a cabinet or department (or an office at the department level), the Agency Establishment Worksheet (defined below) must be completed and included in the reorganization packet.

- i. **Agency Establishment Worksheet:** must be provided if a new cabinet or department (or an office at the department level) is being established. NOTE: This only applies to organizations being established where a new 5-digit organizational number must be created. This form provides the new establishment's title, 5 digit organizational number, and address.
- b. **Structural Abolishment Worksheet:** lists the current name, organizational structure number, and number of positions affected in each entity being abolished by the reorganization.
- c. **Structural ReName Worksheet:** lists the name, and organizational structure number as it currently exists in the personnel system, and the new name as proposed in the reorganization.
- d. **Position From-To Worksheet:** lists the current and proposed information for each position affected by the reorganization (*including vacant positions*).

Current information, as it exists in the Personnel Cabinet system, includes: Organization number, organization title, reports to information, position number, employee name, and position title.

Proposed information includes: reports to organization number, reports to organization title, reports to supervisor position number, function group, cost center, order number, and WBS element.

NOTE: Although the Position From-To Worksheet requests information pertaining to function group, function group creation and deletions are controlled by OSBD and LRC, not Personnel. Please consult with your agency budget office for any questions relating to or to obtain the function group information necessary to complete the form.

- i. **Non-Merit Letters:** If any of the positions are non-merit classes, these signed letters must be provided to document the From-To move of non-merit positions.
 - ii. **Security Role Organization Authorization Form:** If applicable, these positions will be identified by Personnel and communicated to the agency after the preliminary meeting. These forms must be completed for each position affected by the reorganization which has a security role assignment to any structure affected by the reorganization.
- e. **eMARS Chart of Accounts Data:** Multiple worksheets must be provided: 1) appropriation, allotment, and function codes, 2) the valid fund-department, 3) the valid fund-department-function, and 4) the eMARS organization structure. Also, the spreadsheet version of the SAS-14 form must be used in place of the SAS-14 form when significant account establishments and deletions are needed. If there are no changes, check the box at the bottom of the form.

Post-Reorganization Process

Post-reorganization processes include updating the agency contact listing/consultant assignments, and organizational charts maintained on Personnel's website at <https://personnel.ky.gov/Pages/OrgCharts.aspx>. Additionally, Personnel works with the agency to ensure post-reorganization actions are completed properly and timely. This can include: reclassifications, position number changes, work county changes, local tax changes, work address changes, updates to work week and/or schedule, etc.